SK MILK MARKETING BOARD

UPDATE

January 17, 2011

QUOTA EXCHANGE

The market-clearing price established for the January, 2011 Quota Exchange was **$26,380.00.** The results of the Quota Exchange are outlined in the following Table.

The next Quota Exchange will be held on February 15, 2011. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SMMB office by midnight, February 6, 2011. The SMMB recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

JANUARY, 2011 QUOTA EXCHANGE RESULTS

Market Clearing Price per kilogram of butterfat	**$26,380.00**
Daily Kilograms offered to Purchase	**51.48**
Kilograms offered to Sell	**6.00**
Kilograms sold	**6.00**
Number of Producers	
- offered to purchase	**5**
- purchased quota	**1**
- offered to sell	**1**
- sold quota	**1**

JANUARY, 2011 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price ($/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
23.725	0	0	0.00	0.00	-51.48	51.48	5.48	5	1
24.449	1	1	6.00	6.00	-40.00	46.00	0.00	4	0
25.550	0	1	0.00	6.00	-40.00	46.00	26.00	4	3
26.380	0	1	0.00	6.00	-14.00	20.00	20.00	1	1

TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
December	19	26	24,684
January/10	14	14	17,760
February	11	12	10,421
March	8	9	4,251
April	21	14	15,941
May	16	12	16,293
June	17	14	17,870
July	12	9	7,641
August	7	7	6,926
September	15	21	28,149
October	15	12	18,550
November	23	21	31,871
December	25	26	33,472

OVER QUOTA (OVER 10 DAYS) REPORT BY MONTH

MONTH	# OF PRODUCERS	BUTTERFAT
December	14	3,267.51
January 2010	16	5,444.53
February	20	3,338.69
March	15	2,743.20
April	16	3,158.36
May	9	2,330.81
June	5	360.48
July	4	504.85
August	0	0
September	0	0
October	1	2.66
November	2	615.77
December	1	307.67

SUMMARY REPORT OF CREDITS AS OF December 31, 2010 – 190 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+10	1	0
+ 5 to +10	6	1,997.14
0 to + 5	20	5,599.75
TOTAL	27	7,596.89
DAYS	**# OF PRODUCERS**	**NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)**
-20	20	-39,165.00
-15 to -20	38	-120,764.17
-10 to -15	42	-57,817.69
-5 to -10	31	-27,084.02
0 to -5	32	-12,443.81
TOTAL	163	-257,274.68

LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
December, 2009	0	0
January, 2010	1	552.06
February	1	1,165.55
March	3	1,389.76
April	5	3,319.40
May	5	4,097.72
June	5	4,108.80
July	6	4,673.63
August	10	7,398.69
September	8	3,646.78
October	10	5,986.03
November	33	25,200.13
December	20	6,612.44

Producers are not allowed to accumulate negative production credits (kgs of butterfat) in excess of -20 days. **LOST OPPORTUNITY** occurs when a producer's negative production credits exceed -20 days. For every kg of butterfat that becomes lost opportunity, producers have lost approximately $20/kg in gross revenue potential. In December, 20 producers had 6,612.44 kgs of lost opportunity, which resulted in lost gross revenue potential of approximately $132,248 or, on average, $6,612 per producer for those 20 producers.

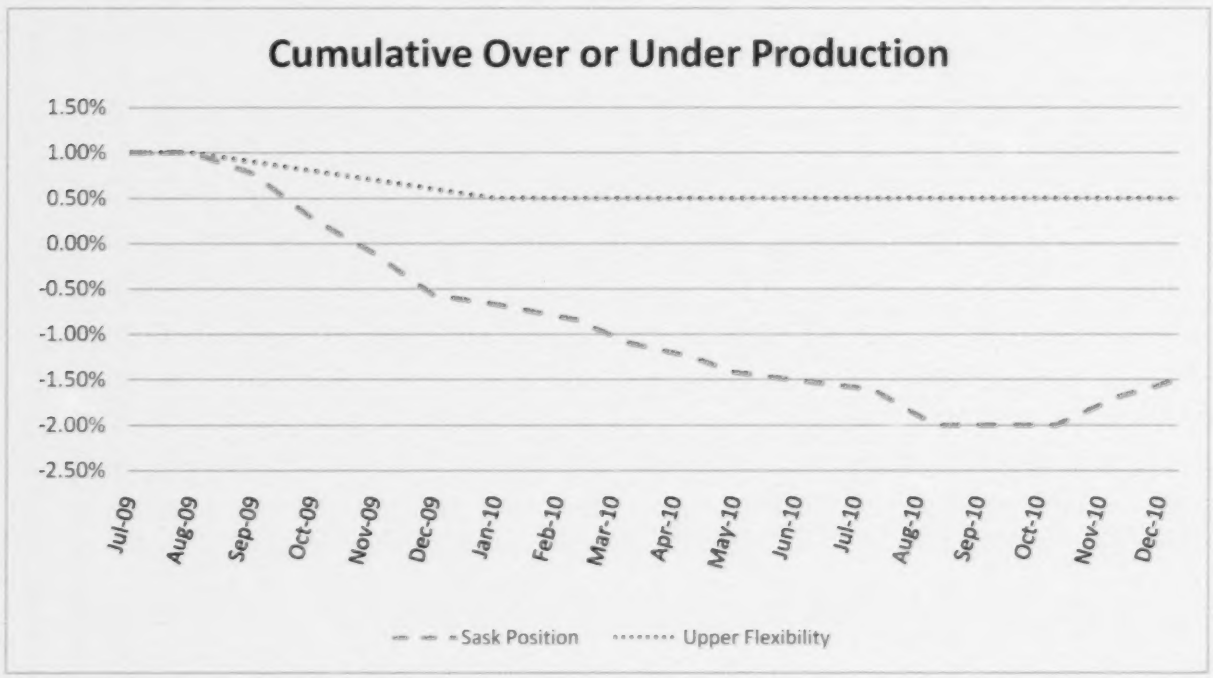
WEIGHTED AVERAGE COMPONENT TESTS & PRICES December 2010

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.8833	$11.336679
Protein	3.3744	$8.336679
Other Solids	5.6887	$1.236291

Based on the average component tests for the province, the average price received was $79.1869 per hectolitre. **The average butterfat price received per kilogram was $20.39.**

SASKATCHEWAN MILK POOL RESULTS December 2010

Milk Sale Revenue	$ 15,241,160.38
Western Milk Pool	$ -263,869.76
Dairy Farmers of Canada Skim Off	$ - 19,054.62
Plant of Last Resort Service	$ - 55,342.03
Total Pool Value	**$ 14,902,893.97**



IMPORTANT REMINDER -DESIGNATED REPRESENTATIVE FORM

This is a reminder to licensed producers to please complete the Designated Representative Form which was included with the December, 2010 newsletter. It is important that the form is completed and returned to the Board by fax or mail as soon as possible.

THANK YOU FROM VEMDE DAIRY

We, Berend, Jeanet, Jim, Pam, Dean and Mitchell Logtenberg would really like to thank all the Board members and staff of the Milk Marketing Board, all the dairy farmers of Saskatchewan and all the people related to the dairy industry, with a special thank you to Linda Stroh and the Vibank Recreation Board for their heartwarming response in the form of cards, phone calls and Christmas gifts after the fire.

What struck us most is that the dairy community is very close knit, we feel that we are part of it. Because of this, you made us feel very much at home.

Thank you.

ACCOUNTING VALUES FOR CLASSES OF MILK February 2011

	Butterfat ($/kg)	**$ per hl. Skim milk)**	
Class 1a	$5.7262	$70.33	
Class 1b	$5.7262	$63.22	
Class 1c	**As approved by the Board**	**As approved by the Board**	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.6437	$5.7257	$5.7257
Class 3a	$7.6437	$13.3866	$0.9072
Class 3b	$7.6437	$13.1339	$0.8912
Class 4a, 4b, 4d & 4d(1)	$7.6437	$5.3273	$5.3273
Class 4a(1)	$7.6437	$2.6000	$2.6000
Class 4c	**As approved by the Board**	**As approved by the Board**	**As approved by the Board**
Class 4m	$1.3000	$1.3000	$1.3000
Class 5a	$3.9882	$4.5570	$0.4245
Class 5b	$3.9882	$2.2367	$2.2367
Class 5c	$4.5488	$2.2367	$2.2367
Class 5d	**As determined by**	**the Canadian Dairy**	**Commission**

In December, Saskatchewan had a monthly CDC allocation of **785,901 kilograms** of butterfat. In the month of December, Saskatchewan production was **-54,781 kilograms** of butterfat **under** and cumulatively **under** by **-130,400 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **-1.50%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower limit is in effect.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit **(1.5%)** Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit **1.0%** Kgs bf col. 9 *1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
Dec-09	723,022	763,216	(40,194)	(129,616)	51,846	**(49,525)**	**-0.57%**		8,641,040
Jan-10	718,404	726,215	(7,811)	(129,294)	43,098	**(57,335)**	**-0.67%**		8,619,609
Feb-10	646,894	662,212	(15,318)	(129,128)	43,043	**(72,653)**	**-0.84%**		8,608,523
Mar-10	714,037	735,808	(21,771)	(128,999)	43,000	**(94,424)**	**-1.10%**		8,599,939
Apr-10	694,816	707,608	(12,792)	(129,004)	43,001	**(107,216)**	**-1.25%**		8,600,248
May-10	708,117	722,125	(14,008)	(128,956)	42,985	**(121,224)**	**-1.41%**		8,597,078
June-10	684,369	694,478	(10,109)	(128,998)	42,999	**(131,333)**	**-1.53%**		8,599,843
July-10	697,489	704,201	(6,712)	(128,936)	42,979	**(138,053)**	**-1.61%**		8,595,753
Aug-10	682,923	717,474	(34,551)	(129,144)	43,048	**(172,194)**	**-2.00%**	(410)	8,609,692
Sep-10	673,445	727,727	(54,282)	(129,713)	43,175	**(172,699)**	**-2.00%**	(53,777)	8,634,934
Oct-10	694,237	756,826	(62,589)	(129,614)	43,207	**(172,830)**	**-2.00%**	(62,458)	8,641,482
Nov-10	686,111	752,717	(66,606)	(130,059)	43,353	**(146,520)**	**-1.69%**	(92,915)	8,670,615
Dec-10	731,120	785,901	(54,781)	(130,400)	43,467	**(-130,400)**	**-1.50%**	(70,294)	8,693,300

(1) Monthly Production in Saskatchewan
(2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
(3) Difference between the monthly production (1) and the total monthly quota (2)
(4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
(5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
(6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
(7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
(8) Over Quota or (Lost production opportunity) outside of flexibility limits
(9) Total Monthly CDC Quota Allocation for the previous 12 months

MASTITIS FLASH
Why Teat Condition is Important?

In recent years, considerable attention has focused on teat condition and health. Why? Because there is a correlation between increased teat-end hyperkeratosis and increased risk of new mastitis infections. Measuring teat condition gives an indication of the stresses applied during milking and the resulting tissue congestion. Teat condition assessment can also give some indication of the comfort level of cows during milking, especially at the low flow period at the end of milking.

Source: NMC Udder Topics, Feb-Mar 2007

When did you make the last teat end assessment in your herd?

Never too late to use CBMRN Computorized Teat Condition Calculator... (http://www.medvet.umontreal.ca/rcrmb/dynamiques/PDF_AN/Toolbox/CalculTool.xls)

QUOTA LISTING SERVICE

The SMMB offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SMMB office at (306)787-5319. All prices and negotiations will be independent of the SMMB.

Quota & Cows wanted to Purchase

- Wanted – cows and quota – Contact Don (306) 270-4700
- Wanted – Dairy Cows or bred heifers. Call anytime/leave message (604) 855-2731 or (306) 867-2176
- Wanted to purchase cows and quota. Contact Ken (306) 229-4591

Quota & Cows for Sale

- Breeding bulls available from high producing Vg/Ex dams. Call Johan de Haan @ Ostara Holsteins Ltd. (306) 778-3992 or (306) 750-7273.

Equipment For Sale

- New Dairymaster Parts available. Grain tank, auger and hydraulics for bale handler. Call Johan de Haan @ Ostara Holsteins Ltd. (306) 778-3992 or (306) 750-7273.

- Pasture mats for sale 4' x 7'. Contact Willie @ (306) 948-2716.

- 3000 gallon Mueller HiPerform milk tank with cooling condensers and compressor. Contact Holstein Haven Ltd. (306) 228-2921 or (306) 228-3846.

- Alfa Laval Agri Maestro Double ten milking parlor made for double seven at present. Contact Holstein Haven Ltd. (306) 228-2921 or (306) 228-3846.

- 2000 gallon Delaval tank. Call James Hein (306) 365-3209

- Like new Knight Reel – Auggie 3250 Stationary Feed Mixer with 15' Conveyer & Electronic Scale – Phone (306) 280-6408

- - manure dumplids 4' x 8' - $400 each
  - 1 – 2,000 imp. gal poly water tank - $500
  - 160 cozy cow mattresses 64" - $25 each c/w heavy duty cover
  - various swing gates 4 and 5 bar, 10 to 14 ft.
  Call Frans @ (306) 826-5776 – home or (306) 823-7262 – Cell

- 2000 U.S. Gallon Alfa-Laval Milk Tank with cooling condensers and compressors. Contact Ferch Farms (306) 736-2205.

- Dairy Equipment for Sale: 1 18" x 10' belt conveyor; 6 Waikato milk meters; 6 Delaval milk machines with vacuum pulsators; Delaval vacuum pump with 7.5 hp motor. Contact Lloyd Sawatzky, Saskatoon, SK Phone (306) 239-4818. Cell (306) 281-2247.

- 2 – 6 inch electric augers, 10 & 14ft; Harvestore, Goliath and Hercules unloaders; 6 Tru test milk meters; Surge Electrobrain parts; Mueller tank parts; Alamo 100 pump and motor. Contact Leonard Blocka (306) 764-8439 or cell (306) 960-6608.

- 16 Waikato milk meters $250 each; 5,000 gallon new Delaval bulk tank, made in U.S.A. $50,000. Contact Corman Holsteins (306) 933-4608

Feed For Sale

- Large round straw bales. Hague area. Can deliver. Contact Mel Foth (306) 232-3462.

- 500 Alfalfa bales for sale. Have test results. Contact Henry (306) 867-9156 (home) or (306) 867-7384 (cell). Outlook area.

- 1,400 forage hay bales for sale with test results at Ardill, SK (60 km. south of Moose Jaw). Contact Daniel Strom @ (306) 354-2635 or email dan-astrom@hotmail.com

- Pure Alfalfa hay for sale. 2010 crop – no rain. Protein 18.8 (Winnipeg test). Organic crop. Wt. average 1,650 lbs. Phone (403) 803-9117.

- 445 Alfalfa Brome Bales $60.00/ton – excellent quality; 347 medium quality $40/ton; 175 poor quality $20/ton. Phone Wayne (306) 847-4450 (home) or (306) 963-7792 (cell). Bales are located at Liberty, SK.

- Hay for sale: Alfalfa or alfalfa/grass…3,000 round bales. Contact Simon Mandel (403) 664-9525.

- 155 hard core 1000 lb bales of 95% Alfalfa for sale. 3rd year crop, no chemicals used. A bit rich for most horses and meat cattle. Good for dairy cows. Located in Bulyea, 1 hour north of Regina. Can arrange for loading. Contact Brenda @ (306) 725-3367.

- For sale: 70 second cut Alfalfa round bales. Net wrapped, no rain, 19.9 protein 1650 lbs. Call (306) 948-2395 Biggar, Saskatchewan.

- Alfalfa for sale. Contact Ron (306) 477-2570 or Ken (306) 374-8980.

- All Large square bales: Flax (awesome for wind break); Canola straw and Greenfeed. Call Jake Boot (306) 867-9926 or (306) 867-3899.

- 70 Bales 2nd cut Alfalfa RFV 150; Prot. 19.2; TON 62.8; $110/ton obo
  Phone (306) 493-2482 Delisle, Saskatchewan

- 2nd cut alfalfa round bales, net wrap. Est. 1400 lbs.; Analysis available; Protein 19.76%. Phone or fax (306) 228-3727; Unity, SK

- 6 quarters of hay/alfalfa available for long-term contract – you specify the preferred mix and handling. Ten minutes north of Estevan (306) 634-4382.

- 134 top quality 2nd cut alfalfa hay bales, very clean, all leaves intact. Call for more info. Taking offers (306) 276-2003 Nipawin

- Dairy Quality Hay 4 Sale – delivered. Contact Dale @ (204) 638-5581. Dauphin, Manitoba.

- 50 Acres Greenfeed barley for sale in Bellevue area (63 day barley seeded July 5). Fields are clean. Can sell standing or baled. Taking offers. Contact Andy Grenier at Home: (306) 423-5682 or Cell: (306) 233-7835.

Miscellaneous

- (3) Lely Astronaut III Automatic Robotic milkers being sold in an **ONLINE ONLY** Auction ending Thursday, January 20, 2011 @ 1PM – Almena, WI. Visit www.hansenandyoung.com for more information or call (715) 837-1015. H & Y Auctions. WI Reg Auc Lic #41.

- **Attention: Farm Help Needed?** Actyl Group is Canada's leader in Workforce Solutions and Recruitment and Immigration. We can help solve your labour requirements through the Foreign Worker Program by supplying your farm operation with experienced (veterinarians), skilled, hard working candidates. Several of our clients in Saskatchewan have had excellent results. Please visit our website www.actylcom or contact Trevor Steinke at (306) 569-7935 tsteinke@actyl.com

- Hoof Care Trimming. Modern one of a kind trimming chute. Cattle, horses, donkeys, llamas. 22 years trimming experience. Box 35, Moose Jaw, SK. Telephone (306) 694-4234; cell: (306) 631-8013.

Miscellaneous - Wanted to Purchase

- Milk Cooling Compressors or bulk tank with milk cooling compressors. Contact Darcy Loewen @ (306) 493-8201 or (306) 493-7631.

- Used bulk tanks, all sizes. 300-600 preferred. Abe Buhr, 18 Westcott Bay, Brandon, Manitoba R7B 2V6 Phone (204) 727-3074.

FREQUENTLY ASKED QUESTIONS

Questions most frequently asked by producers.

What is the maximum amount of transfer credits that I can transfer out in a 12 month period?

Effective September, 2010, to March, 2011 the 15% transfer out credit limit in a rolling 12 month period has been suspended. There is no limit on the percent of transfer credits that can be transferred out over the next three months; however, the restrictions on the amount that can be transferred out on a monthly basis still apply. (REFER TO THE NEXT QUESTION)

What is the maximum amount of transfer credits that I can transfer out in a month?

The maximum transfer credits a producer can transfer out in a month are equal to what the producer's cumulative under position was in the previous month. You can only transfer out to a cumulative position of zero credits.

What is the maximum amount of transfer credits that I can transfer in?

There is no limit to the amount of credits that can be transferred in within a rolling 12 month period. The only limit when transferring in credits would be to not drop below the -30 credit day limit **(-20 credit days effective the end of November)** at the end of each month or you will have lost the opportunity to carry-forward those credits to produce that milk in the future.

What is the deadline for transfer credits?

The transfer credit deadline for any month is by midnight of the 20th. For example any transfer credit forms in the Board Office on or before midnight of January 20th will be effective January 1st.

SMMB BOARD OF DIRECTORS

	PHONE	EMAIL
Blaine McLeod - Chair	(306) 756-2775	rb.mcleod@sasktel.net
Melvin Foth – Vice Chair	(306) 225-4678	fvl@sasktel.net
David Entz	(306) 626-3215	davidentz3662@gmail.com
Jack Ford	(306) 328-4700	jackford@sasktel.net
Jason Wildeboer	(306) 249-4358	skunkhollow@yourlink.ca
Isaac Klassen	(306) 249-4435	isaac00@sasktel.net
Jim Ross	(306) 697-2232	jimleeholsteins@sasktel.net
Juliann Lindenbach	(306) 771-2776	robella@sasktel.net
Sheldon Peifer	(306) 862-9470	dspeifer@sasktel.net

For further information, please contact the SMMB office.

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